EUROPEAN COMMISSION

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SENSITIVE (*): *COMP Operations*

Subject: State Aid SA.106009 (2023/N) – Italy
TCTF: Exemption from the payment of social security contributions for hiring young workers

Excellency,

1. PROCEDURE

(1) Following pre-notification contacts ([1]), Italy notified, by electronic notification of 15 March 2023, aid in the form of limited amounts of aid (*Exemption from social security contribution for the employment of young workers*, the "measure") under the Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the "Temporary Crisis and Transition Framework") ([2]). Italy submitted additional information on 27 February, 13 March, 13 April, 5 and 10 May and 7 June 2023.

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([1]) The measure was pre-notified on 17 January 2023 under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the "Temporary Crisis Framework", Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 426, 9.11.2022, p. 1)). This Temporary Crisis Framework replaces the Temporary Crisis Framework adopted on 23 March 2022 (OJ 131 I, 24.3.2022, p. 1) as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1) ('previous Temporary Crisis Framework'). The previous Temporary Crisis Framework was withdrawn with effect from 27 October 2022.

([2]) Communication from the Commission on the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (C/2023/1711, OJ C 101, 17.3/2023, p. 3). This Temporary Crisis and Transition Framework replaces the Temporary Crisis Framework. The Temporary Crisis Framework was withdrawn with effect from 9 March 2023.

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(2) Italy exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union ("TFEU"), in conjunction with Article 3 of Regulation 1/1958 ([3]) and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

(3) Italy considers that the Russian aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the counter-measures taken, for example by Russia, have economic repercussions on the entire internal market ('the current crisis'). The current crisis created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. The downside risks associated with the impact of the current crisis affect growth expectations and are a strong constraint on the stability and expected evolution of labour market performance. Those risks particularly affect weaker groups such as young workers. Employment levels of young workers in Italy have historically remained below the EU average ([4]). In 2022, after the start of the current crisis, 58% of total jobs lost were young workers below 36 years of age. The Italian authorities also explained that, on average, young workers were employed with non-permanent contracts more than the Italian average ([5]). Thus, in order to remedy the liquidity shortage faced by undertakings that are affected by the current crisis, which in turn jeopardises the recruitment of categories of workers, the measure aims at reducing employment costs for the recruitment of young workers.

(4) Italy confirms that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the European Economic Area ('EEA') to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.

(5) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 1 and 2.1 of the Temporary Crisis and Transition Framework.

([3]) Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

([4]) Associazione per lo Sviluppo dell'Industria nel Mezzogiorno "SVIMEZ", 2022 survey on the economy of *Mezzogiorno* Regions (https://lnx.svimez.info/svimez/wp-content/uploads/2022/11/2022_11_28_rapporto_svimez_2022_sintesi_parte_2.pdf). According to the survey, the employment levels of young workers were: in 2000, 55.9% in the EU against 53% in Italy; in 2008, 57.7% in the EU against 50.3% in Italy; in 2014, 53.3% in the EU against 39.1% in Italy; in 2019, 57% in the EU against 41.7% in Italy.

([5]) According to a study by the Centro Studi Investmenti Sociali "CENSIS" (https://www.censis.it/sites/default/files/downloads/6_Rapporto%20Censis-Eudaimon%20sul%20welfare%20aziendale_sintesi.pdf), in 2022 young workers employed with non-permanent contracts were 39.3% against the Italian average of 20%.

2.1. The nature and form of aid

(6) The measure provides aid in the form of exemptions ([6]) for private employers from the payment of their share of social security contributions due for new employment contracts signed for an open-ended period ("*contratti a tempo indeterminato*") or the conversion of fixed-term contracts into open-ended contracts.

2.2. Legal bases

(7) The legal bases for the measure are Article 1(10) to (15) of Law no. 178 of 30 December 2020 on the "*Budget of the State for the financial year 2021 and multi-year budget for the three-year period 2021-2023*" ([7]), and a *Circolare* that will be adopted by the INPS ([8]) after the notification of the Commission decision approving the measure. The Italian authorities notified to the Commission a draft of that *Circolare*.

2.3. Administration of the measure

(8) The Ministry of Labour and Social Policies is the authority that administers the scheme, while INPS is the authority granting the aid under the scheme.

2.4. Budget and duration of the measure

(9) The estimated budget of the measure is EUR 422.35 million and is financed by the State budget.

(10) The Italian authorities confirmed that aid may be granted under the measure as from the notification of the Commission's decision approving the measure until no later than 31 December 2023.

2.5. Beneficiaries

(11) The Italian authorities confirm that only undertakings that are affected by the current crisis are eligible to receive aid. However, credit institutions or other financial institutions, as well as the domestic work and public sectors, are excluded as eligible final beneficiaries.

(12) Eligible private employers must not have carried out, during the six months preceding the recruitment or the nine months following it, individual dismissals for justified objective reason or collective redundancies ([9]) against workers with the same qualification of the newly hired workers in the same production unit.

([6]) The Italian authorities explain that, for new hirings of young workers that took place since July 2022, the measure will be in the form of a credit that eligible employers can offset from the social security contributions due. For new hirings of young workers that have not yet taken place, the measure will be in the form of an exemption from the social security contributions due for such new hirings.

([7]) Gazzetta Ufficiale no. 322 of 30 December 2020.

([8]) *Istituto nazionale della previdenza sociale*, the Italian pension schemes manager.

([9]) As defined under Law 23 July 1991, no. 223.

(13) Italy confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the European Union ('EU'), including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or (iii) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.

(14) Italy confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations ([10]). In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

2.6. Sectoral and regional scope of the measure

(15) The measure is open to all sectors except the financial, domestic work ([11]) and public ([12]) sectors. It applies to the whole territory of Italy.

2.7. Basic elements of the measure

(16) The measure aims at tackling the increasing liquidity difficulties of private employers that are affected by the current crisis, by reducing the labor costs borne by those employers in relation to the hiring of young workers (i.e. below 36 years of age) on stable basis.

(17) The measure provides for an exemption of the payment of employers' social security contributions ([13]) (premiums and contributions due to INAIL ([14]) for insurance against accidents at work are excluded from the calculation of the total social security contribution), for a maximum period of thirty-six months, for those employers who hire young workers, in the period between 1 July 2022 and 31 December 2023, with open-ended employment contracts or who convert fixed-term contracts of their employee into open-ended contracts in the same period. Such employment contracts are eligible if the hired employee is below 36 years of age.

(18) The exemption applies for a maximum period of forty-eight months, where the eligible employment contracts/conversion of contracts are used for hiring workers in a location or production unit located in the following Regions: Abruzzo, Molise, Campania, Basilicata, Sicilia, Puglia, Calabria and Sardegna.

([10]) For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

([11]) ATECO code 97, the Italian classification of NACE codes.

([12]) As defined in Article 1(2) of Legislative-Decree No. 165 of 30 March 2001.

([13]) See footnote 6.

([14]) *Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro*, the National Institute for Insurance against Accidents at Work.

(19) The contribution exemption must not be combined with other exemptions or reductions in the financing rates provided for by the legislation in force ([15]).

(20) The contribution exemption must not be applied to (i) extensions of contracts after the end of training period and (ii) hiring of young workers that carried out "school-work alternation" or training for obtaining their school diploma ([16]).

(21) Beneficiaries will receive aid equal to 100% of the employers' social security contributions within a maximum limit of EUR 8 000 per hired worker per year ([17]). The maximum aid amount per undertaking will not exceed EUR 2 million (gross, i.e. before any deduction of tax or other charge), as set out in paragraph 61(a) of the Temporary Crisis and Transition Framework. For undertakings active in the primary production of agricultural products ([18]) the overall aid does not exceed EUR 250 000 (gross). For undertakings active in the fishery and aquaculture sectors ([19]), the overall aid does not exceed EUR 300 000 (gross). The Italian authorities confirm that for aid granted in other forms than direct grants, the total nominal value of such forms remains below the overall relevant maximum cap per undertaking.

(22) The Italian authorities confirm that where an undertaking is active in the processing and marketing of agricultural products, aid is not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products purchased from primary producers or put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned.

(23) For agricultural, fisheries and aquaculture sector, Italy confirms that:

(a) aid to undertakings active in the primary production of agricultural products will not be fixed on the basis of the price or quantity of products put on the market;

(b) aid to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) Commission Regulation (EU) No 717/2014;

([15]) See Article 1(114) of Law No. 205/2017.

([16]) As defined under Article 1(106) to (108), of Law No. 205/2017.

([17]) The Italian authorities clarified that the maximum exemption from the employer's contribution referred to the monthly pay period is therefore EUR 500, to be proportionally reduced in case of part-time employment contracts.

([18]) As defined in Article 2(5) of Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 193, 1.7.2014, p. 1, "ABER").

([19]) As defined in Article 2(1) of Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45, "FIBER").

(c) where an undertaking is active in several sectors to which different maximum amounts apply in accordance with points 61(a) and 62(a) of the Temporary Crisis and Transition Framework, it will be ensured, by appropriate means such as separation of accounts, that for each of those activities the relevant ceiling is respected and that the overall maximum amount of EUR 2 million is not exceeded per undertaking. The overall maximum amount of EUR 250 000 for undertakings active in the primary production of agricultural products, and EUR 300 000 for undertakings active in the fishery and aquaculture sectors, are not exceeded per undertaking (see point 63 of the Temporary Crisis and Transition Framework).

2.8. Compliance with relevant provisions of Union law

(24) The Italian authorities confirm that the proposed measure does not by itself, or by the conditions attached to it or by its financing method constitute a non-severable violation of Union law.

2.9. Cumulation

(25) The Italian authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations ([20]) or the General Block Exemption Regulation ([21]), ABER and FIBER, provided the provisions and cumulation rules of those Regulations are respected.

(26) The Italian authorities confirm that aid under the measure may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.

([20]) Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013, p. 1), Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector (OJ L 352, 24.12.2013 p. 9), Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45) and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114, 26.4.2012, p. 8).

([21]) Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187 of 26.6.2014, p. 1), Commission Regulation (EC) No 702/2014 of 25 June 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 193, 1.7.2014, p. 1) and Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 369, 24.12.2014, p. 37).

(27) The Italian authorities confirm that aid under the measure may be cumulated with aid under State aid measure SA.102702 ([22]). This measure was approved by the Commission under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak ([23]) (COVID-19 Temporary Framework) and the aid under the notified measure may be cumulated with that measure provided the respective cumulation rules are respected.

(28) The Italian authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Crisis and Transition Framework provided the provisions in those specific sections are respected.

(29) Italy confirms that for aid granted under sections 2.1 of the Temporary Crisis Framework and the previous Temporary Crisis Framework, the aid ceilings provided in the respective section of the Temporary Crisis and Transition Framework are respected at any point in time.

(30) The Italian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 2.1 of the Temporary Crisis and Transition Framework, the overall maximum cap per undertaking, as set out in points 61(a) and 62(a) of that framework, will be respected. Aid granted under the measure and other measures approved by the Commission under section 2.1 of the Temporary Crisis and Transition Framework which has been reimbursed before 31 December 2022 will not be taken into account in determining whether the relevant ceiling is exceeded.

2.10. Monitoring and reporting

(31) The Italian authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis and Transition Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure and EUR 10 000 in the primary agriculture and in the fisheries sectors on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting ([24]).

([22]) Decision C(2022) 4319 final in SA.102722: COVID-19: Investments in favour of a sustainable recovery (RRF).

([23]) Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

([24]) Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014.

3. ASSESSMENT

3.1. Lawfulness of the measure

(32) By notifying the measure before putting it into effect, the Italian authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

(33) For a measure to be categorised as aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and affect trade between Member States.

(34) The measure is imputable to the State, since it is administered by the INPS (recital (8)) and it is based on the legal basis described in recital (7). It is financed through State resources, since it is financed by public funds (recital (9)).

(35) The measure confers an advantage on its beneficiaries in the form of exemptions from the payment of social security contributions ([25]) (recital (6)). The measure thus relieves those beneficiaries of costs which they would have had to bear under normal market conditions.

(36) The advantage granted by the measure is selective, since it is awarded only to certain undertakings (recitals (11) and (12))

(37) The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.

(38) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Italian authorities do not contest that conclusion.

3.3. Compatibility

(39) Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.

(40) Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid "*to remedy a serious disturbance in the economy of a Member State*".

(41) By adopting the Temporary Crisis and Transition Framework, the Commission acknowledged (in section 1) that the current crisis has created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and

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([25]) See footnote 6.

electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Italy. The Commission concluded that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU for a limited period if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the current crisis.

(42) In order to remedy the liquidity shortage the measure aims at reducing the labour costs borne by private employers with a view to encourage them to hire young workers (i.e. under 36 years of age) on a stable basis, at a time when a wide range of economic sectors are affected, the normal functioning of markets is severely disturbed leading to severe disturbances of the real economy of Member States, including in the economy of Italy.

(43) The measure is one of a series of measures conceived at national level by the Italian authorities to remedy a serious disturbance in their economy. The importance of the measure to reduce the labour cost and thus to support employment levels of young workers is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire Italian economy. Furthermore, the measure has been designed to meet the requirements of a specific category of aid ("*Aid in the form of limited amounts of aid*") described in section 2.1 of the Temporary Crisis and Transition Framework.

(44) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the relevant conditions of the Temporary Crisis and Transition Framework. In particular:

– The aid takes the form of exemptions from the payment of social security contributions ([26]) (recital (6)).

– The overall nominal value of exemptions from the payment of social security contributions will not exceed EUR 2 million; all figures used must be gross, that is, before any deduction of tax or other charges (recital (21)). The measure therefore complies with point 61 (a) of the Temporary Crisis and Transition Framework.

– Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (9). The measure therefore complies with point 61 (b) of the Temporary Crisis and Transition Framework.

– Aid will be granted under the measure no later than 31 December 2023 (recital (10)). The measure therefore complies with point 61 (c) of the Temporary Crisis and Transition Framework.

([26]) See footnote 6.

– Aid will be granted only to undertakings affected by the crisis (recital (11)). The measure therefore complies with point 61 (d) of the Temporary Crisis and Transition Framework.

– Aid granted to undertakings active in the processing and marketing of agricultural products is excluded when the aid is conditional on being partly or entirely passed on to primary producers, fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned (recital (22)). The measure therefore complies with point 61 (e) of the Temporary Crisis and Transition Framework.

– The overall nominal value of exemptions from the payment of social security contributions does not exceed EUR 250 000 per undertaking active in the primary production of agricultural products and EUR 300 000 per undertaking active in the fishery and aquaculture sectors (recital (21)). The measure therefore complies with point 62(a) of the Temporary Crisis and Transition Framework.

– Aid granted to undertakings active in the primary production of agricultural products must not be fixed on the basis of the price or quantity of products put on the market (recital (23)(a)). The measure therefore complies with point 62(b) of the Temporary Crisis and Transition Framework.

– Aid granted to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) Commission Regulation (EU) No 717/2014 (recital (23)(b)). The measure therefore complies with point 62(c) of the Temporary Crisis and Transition Framework.

– Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 61(a) and 62(a) of the Temporary Crisis and Transition Framework, Italy will ensure, by appropriate means such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of EUR 2 million is not exceeded per undertaking (recital (23)(c)). Where an undertaking is active in the sectors covered by point 62(a) of the Temporary Crisis and Transition Framework, the overall maximum amounts of EUR 250 000 per undertaking active in the primary production of agricultural products and EUR 300 000 per undertaking active in the fishery and aquaculture sectors are not exceeded per undertaking (recital (23)(c)). The measure therefore complies with point 63 of the Temporary Crisis and Transition Framework.

(45) State aid measures that entail, by themselves, by the conditions attached to them or by their financing method a non-severable violation of Union law cannot be declared compatible with the internal market[27].

(46) The Italian authorities confirm that the proposed measure does not by itself, or by the conditions attached to it or by its financing method constitute a non-severable violation of Union law. In addition, the Commission has no indications of any possible breach of Union law that would prevent the notified measure from being declared compatible with the internal market.

(47) Therefore, the Commission considers that the measure does not infringe any relevant provisions of Union law.

(48) Italy confirms that, in accordance with point 95 of the Temporary Crisis and Transition Framework, overall aid granted under sections 2.1 of the Temporary Crisis and Transition Framework and the previous Temporary Crisis Framework will not exceed the aid ceilings provided in that section of the Temporary Crisis and Transition Framework at any point in time (see recital (29)).

(49) The Italian authorities confirm that, as required by point 51 of the Temporary Crisis and Transition Framework, the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA (recital (4)).

(50) The Italian authorities confirm that, as required by point 52 of the Temporary Crisis and Transition Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions (recital (13)).

(51) The Italian authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis and Transition Framework will be respected (recital (31)). The Italian authorities further confirm that the aid under the measure may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Crisis and Transition Framework, the COVID-19 Temporary Framework and the cumulation rules of the relevant Regulations and applicable Communications are respected (recital (25) to (30)).

(52) The Commission therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Crisis and Transition Framework.

([27]) Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paras 96 *et seq.*

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION